

Kansas Budget: Impacts on Maternal and Child Health and KanCare



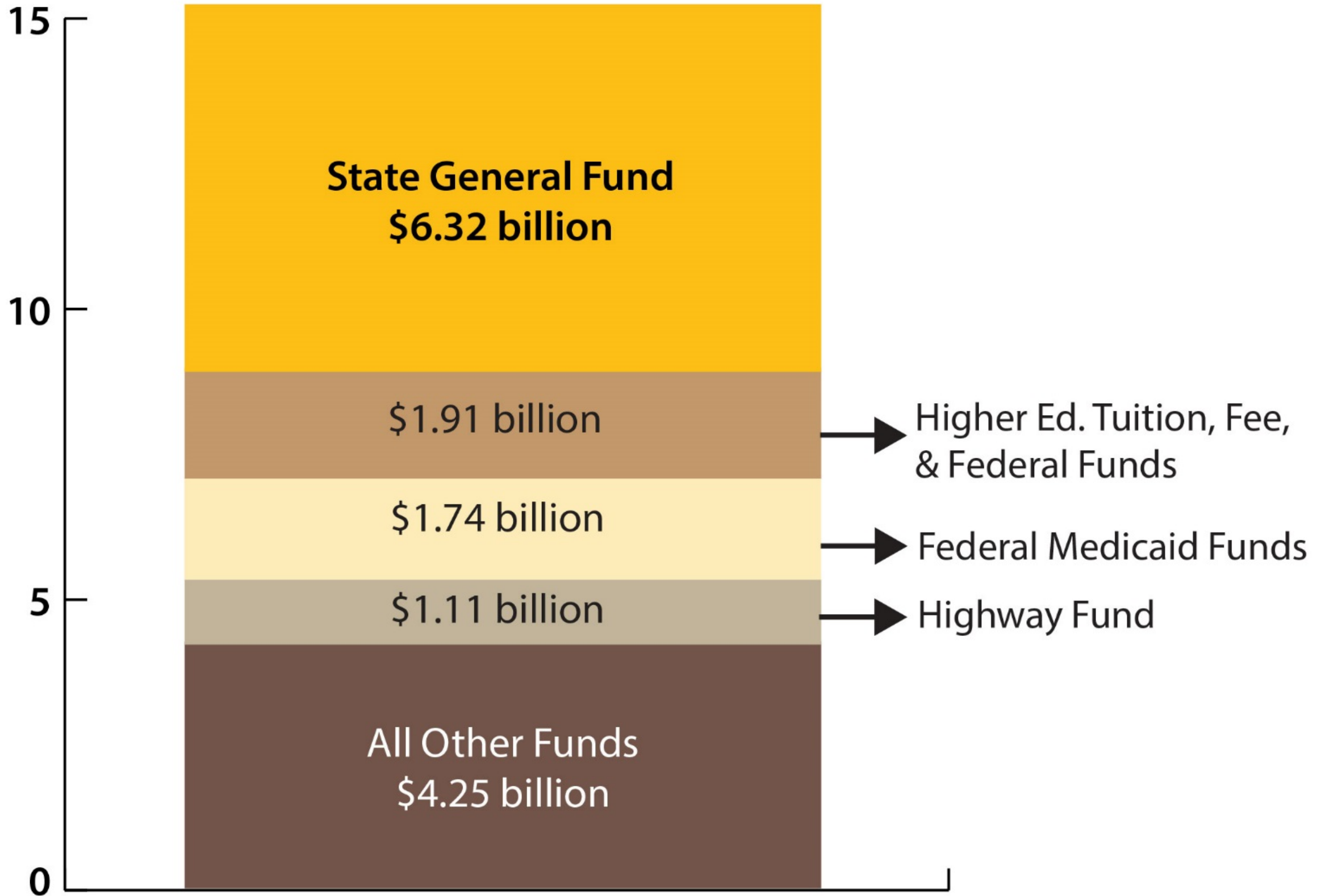
Responsible Policy. Real Prosperity.

Kansas Tax Policy: Why It Matters

KANSAS BUDGET BACKGROUND

Total Kansas Budget - FY 2016

\$15.33 billion



Sales and Use Tax
45.7%

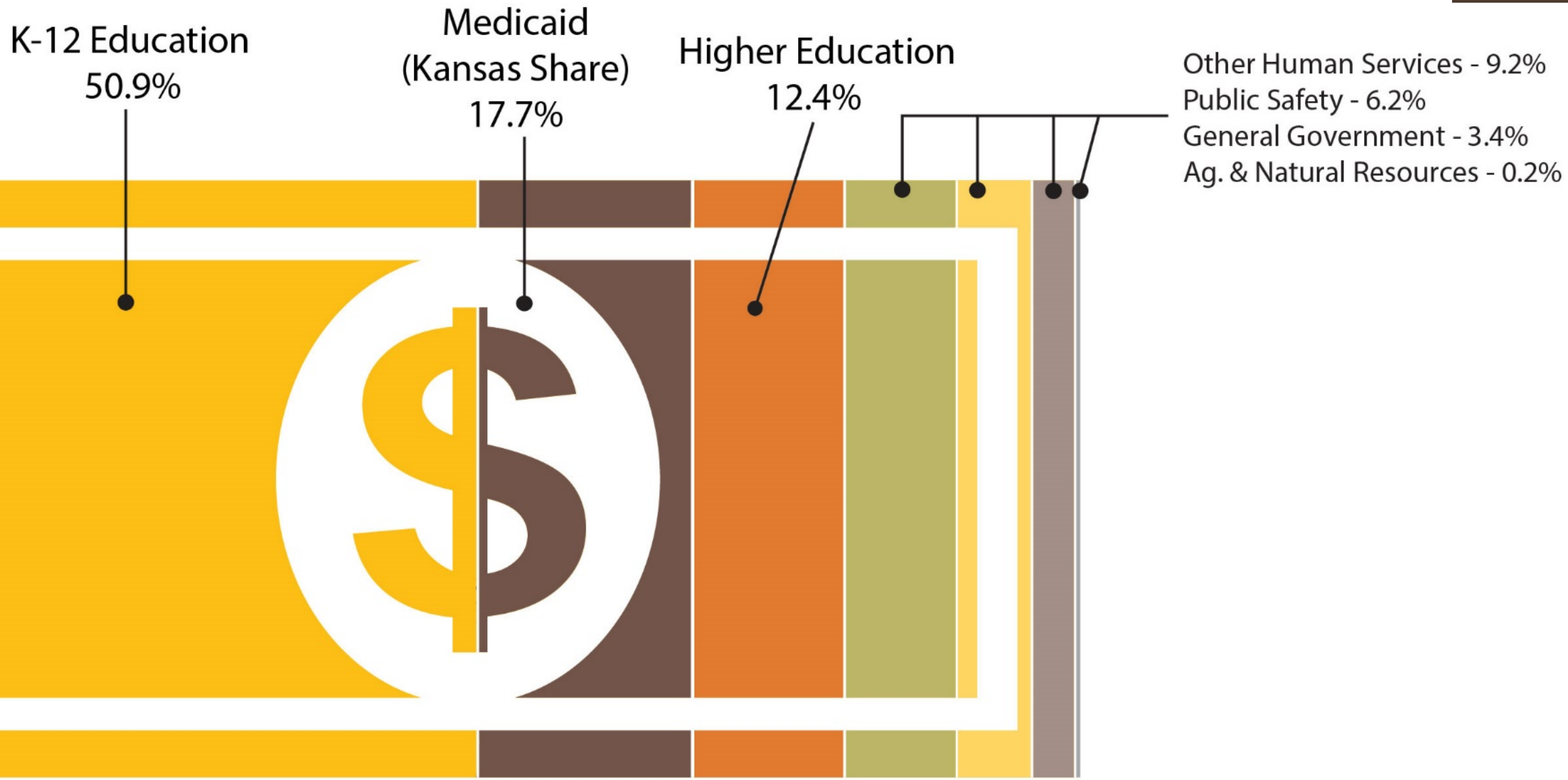
Individual Income Tax
40.3%

Corporate
Income Tax
7.2%

Tobacco Taxes - 2.2%
Liquor Taxes - 1.6%
Severance Taxes - 1.2%
All Other Revenue - 1.8%



**FY 2016 State General Fund
Revenue by Source**



FY 2016 State General Fund Expenditures

Kansas Tax Policy: Why It Matters

WHAT'S TAXES GOT TO DO WITH IT?

Kansas' Tax Changes

2012-2013

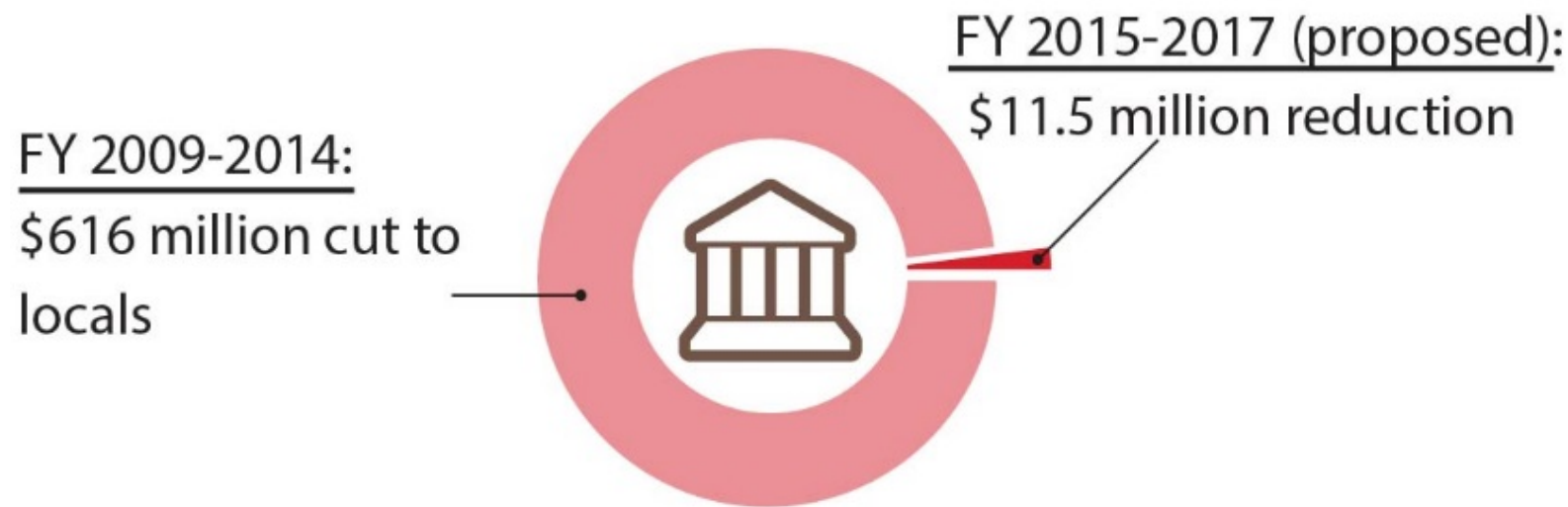
- Revenue Reductions
 - Income Tax Rate Cuts
 - 333k Small Biz Exemption
- “Pay Fors”
 - Sales Tax Increase (6.15%)
 - Elimination of Credits

2015

- Revenue Reductions
 - Future Income Tax Rate Cuts
 - Future Low-income exemption
 - 333k Small Biz Exemption
- “Pay Fors”
 - Sales Tax Increase, again (6.50%)
 - Cigarette Tax Increase
 - Elimination of Itemized Deductions

IMPACTS OF BUDGET AND TAX POLICY

Proposed budget continues cuts to Kansas communities



Cuts to Kansas classrooms to reach half a billion



Sources: Kansas State Department of Education; 2016 Governor's Proposed Budget
Note: All FY 2009-FY2014 figures are adjusted for inflation

WHAT ABOUT KANCARE?

KanCare

- 2013 - Three private Managed Care Organizations (MCOs) handle most of the 385,000 Kansans in Medicaid and CHIP
- In first two years of KanCare, the three MCOs have had a net loss of almost **\$170 million**
- Some troubling enrollment trends for poor children

Kansas Tax Policy: Why It Matters

THREE KEY TAKEAWAYS

1. The 2015 Session Didn't Fix the Problem

Kansas is still living paycheck to paycheck.

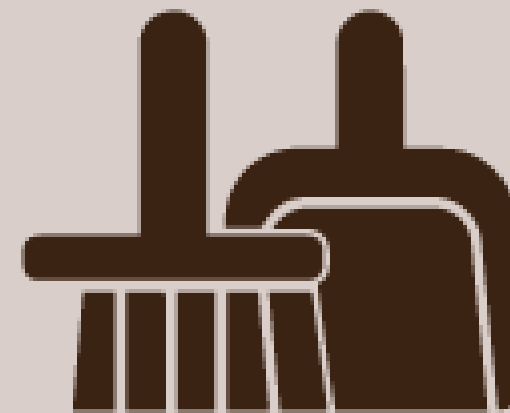
\$63 million in extra budget cuts and transfers



\$430 million tax increase - the largest in Kansas history



Approximately \$300 million in sweeps from Kansas programs



Even after all of this.

Source: Kansas Legislative Research Department budget documents

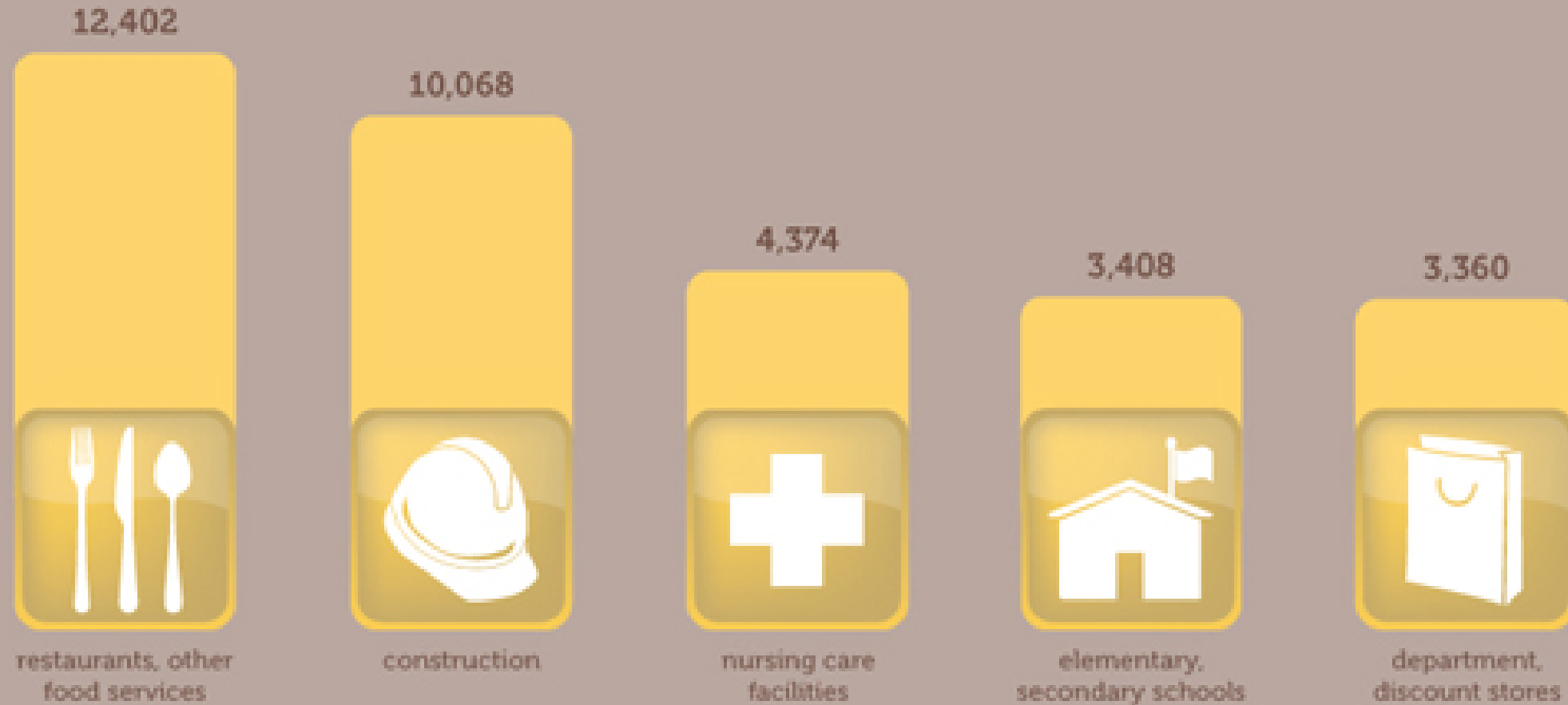
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2. Current Policy Means Missed Opportunities

Medicaid Expansion Benefits Hard-working Kansans

Workplaces with the most uninsured workers who could gain Medicaid coverage in 2014*

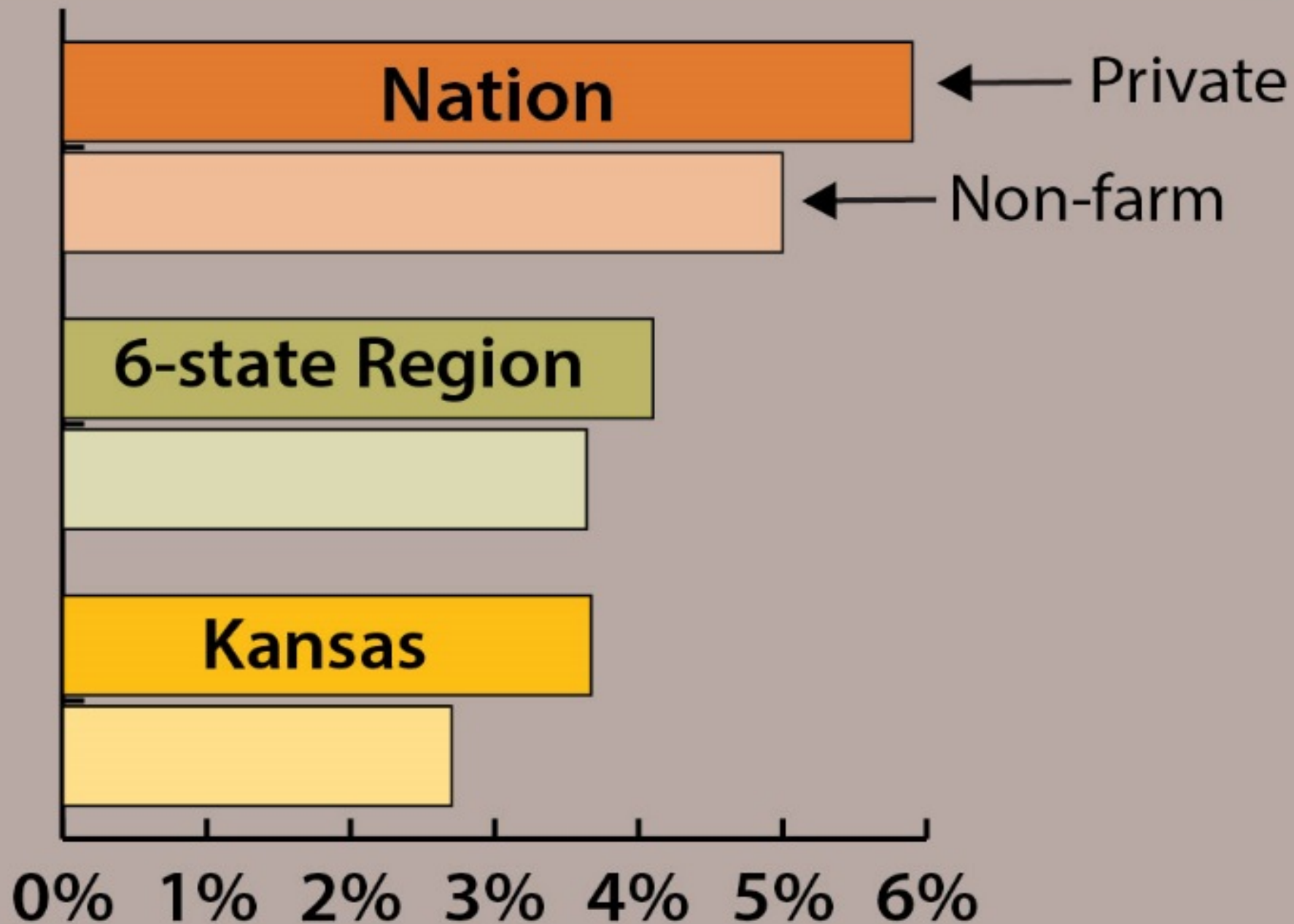


The majority of Kansans who stand to benefit from Medicaid expansion are hard-working employees. These uninsured workers are critical to Kansas' economy. By providing access to regular health care, we can ensure they stay healthy and able to work.

* Industries with most uninsured workers under 138 percent of the federal poverty level in Kansas
Source: Working Kansans Need Medicaid Health Coverage Option
Kansas Center for Economic Growth, March 2014
www.realprosperityks.com

3. We've Got Nothing to Show for All the Changes

Kansas Lags Region, Nation on Job Growth Since Tax Cuts



Source: Bureau of Labor Statistics, Cumulative Private and Non-farm Job Growth, January 2013 to July 2015

Kansas' Private Job Growth: Road to Prosperity or Payday Lending?

Exit 52

**PAYDAY LENDING
NEXT EXIT**



Nearly half of Kansas' largest & fastest-growing private jobs will leave a family of three in poverty

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